



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 5

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Memorandum

TO: Legislation Committee

DATE: July 3, 2008

FR: Deputy Executive Director, Policy

RE: FY 2008-09 State Budget

At this time, little progress had been made on solving the state budget shortfall; there is no new news on the diversion of Public Transportation Account (PTA) funds.

For review, the Assembly acted to reinstate approximately \$318 million of the State Transit Assistance Program funds originally proposed to be cut by the Governor. That would bring the 2008-09 STA Program up to \$623.7 million. The Assembly subcommittee, however, did not restore any funding to the transit capital program managed as part of the State Transportation Improvement Program (STIP).

The Senate took action to restoring \$317 million back to the Public Transportation Account (PTA) to match the funding level in the Assembly, of which \$182 million was directed to restore the State Transit Assistance (STA) Program to \$494 million, and the balance of \$129 million was dedicated to transit capital projects in the STIP.

Even if the Assembly and Senate numbers hold, transit accounts are still on track to suffer a \$1.1 billion diversion of transit funds to the General Fund.

There are no reports from Sacramento that identify when the budget will be finalized. Staff will provide you with an update at your meeting if there is news to report then.

Therese W. McMillan